



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY
PIEDMONT REGIONAL OFFICE

Matthew J. Strickler
Secretary of Natural Resources

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David K. Paylor
Director

James J. Golden
Regional Director

**STATE AIR POLLUTION CONTROL BOARD
ENFORCEMENT ACTION - ORDER BY CONSENT
ISSUED TO
CHAPARRAL (VIRGINIA) INC.
Registration No. 51264**

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and -1316, between the State Air Pollution Control Board and Chaparral (Virginia) Inc., for the purpose of resolving certain violations of the Virginia Air Pollution Control Law and the applicable permit and regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and -1301.
2. "CFR" means the Code of Federal Regulations, as incorporated into the Regulations.
3. "Chaparral" means Chaparral (Virginia) Inc., a corporation authorized to do business in Virginia and its members, affiliates, partners, and subsidiaries. Chaparral is a "person" within the meaning of Va. Code § 10.1-1300.
4. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.
5. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.

6. “EAF” means the Electric Arc Furnace, further identified in the Permit as emission unit number ES1.
7. “Facility” means Chaparral (Virginia) Inc.’s Petersburg Plant, a scrap steel recycling facility located at 25801 Hofheimer Way, Petersburg, Virginia. The Facility primarily produces recycled steel.
8. “LRF” means the Ladle Refining Furnace, further identified in the Permit as emission unit number ES2.
9. “Notice of Violation” or “NOV” means a type of Notice of Alleged Violation under Va. Code § 10.1-1309.
10. “Order” means this document, also known as a “Consent Order” or “Order by Consent,” a type of Special Order under the Virginia Air Pollution Control Law.
11. “PCE” means a partial compliance evaluation by DEQ staff.
12. “Permit” means the Title V Operating permit to operate a steel recycling and production plant, which was issued under the Virginia Air Pollution Control Law and the Regulations to Chaparral on April 4, 2014.
13. “PRO” means the Piedmont Regional Office of DEQ, located in Glen Allen, Virginia.
14. “PSD Permit” means the Prevention of Significant Deterioration permit to operate a steel recycling and production plant, which was issued under the Virginia Air Pollution Control Law and the Regulations to Chaparral on December 17, 2010.
15. “Regulations” or “Regulations for the Control and Abatement of Air Pollution” mean 9 VAC 5 chapters 10 through 80.
16. “Va. Code” means the Code of Virginia (1950), as amended.
17. “VAC” means the Virginia Administrative Code.
18. “Virginia Air Pollution Control Law” means Chapter 13 (§ 10.1-1300 *et seq.*) of Title 10.1 of the Va. Code.
19. “Warning Letter” or “WL” means a type of Notice of Alleged Violation under Va. Code § 10.1-1309.

SECTION C: Findings of Fact and Conclusions of Law

1. Chaparral owns and operates the Facility. Recycled steel is one of the principal products made at the Facility.

2. The Facility is the subject of the Permit and the PSD Permit, which allow the operation of the Facility. All Condition references are to the Permit, not the PSD Permit, unless otherwise noted.
3. On December 2, 2015, DEQ staff performed an on-site PCE at the Facility and noted the following factual observations:
 - a. Condition 27 – Compliance assurance monitoring records submitted for the total capture system failed to show that all components were reviewed, inspected, and documented monthly, as required. Chaparral noted holes in ductwork for the baghouse capture system on the maintenance inspection forms from March 20, 2015 until November 2015, and the intent to repair the holes during the next scheduled maintenance shutdown.
4. On January 6, 2016, DEQ staff performed an on-site PCE at the Facility and noted the following factual observations:
 - a. Condition 41 – a) The first half 2015 semi-annual Start-up, Shutdown and Malfunction (SSM) report did not include a malfunction event which occurred in the meltshop on June 11, 2015.
5. On February 5, 2016, DEQ staff received a partial submittal of compliance records in response to the observations noted and requests made during the December 2015 and January 2016 on-site PCEs. On February 17 & 18, 2016, DEQ staff reviewed the documentation, prepared a PCE, and issued a Request for Corrective Action (RCA) to Chaparral, requesting the submittal of fifteen sets of compliance records to address the deficiencies noted in the PCEs, including those noted in paragraphs C.3. and C.4. Staff observations are documented in the February 18, 2016 PCE and include the following:
 - a. Condition 42 - Records confirm that at least one excursion of +/- 15 percent from the fan motor amperes baseline occurred during the first half of 2015. Chaparral failed to report this excursion in the NSPS AAa semiannual report for the first calendar half of 2015.
6. On March 7 and April 4, 2016, DEQ staff received compliance records submitted in response to the RCA.
7. On March 31 and April 5, 2016, DEQ staff reviewed the compliance records and made the following factual observations in the March 31, 2016, PCE:
 - a. Condition 27 – Records confirm that from March 2015 to November 2015, holes and splits in ductwork seams were noted as needing repair but were not scheduled for repair until the annual shutdown in April 2016, resulting in 13 months of operating with open holes and split seams in the ductwork.
 - b. Condition 41 – Chaparral provided verbal notice on June 11, 2015, of a malfunction for 12 minutes which was the result of a water leak at the EAF, requiring the furnace roof to be lifted back, inundating the meltshop with fumes that spilled out from under the meltshop building canopy. This malfunction required 4 hour notification and follow-up within the quarterly excess emission

report (EER) and the Semi-annual SSM report for the first half of 2015. The malfunction was not reported in either the EER or SSM report.

- c. Condition 42 – DEQ staff noted Fan Motor Amperes excursions (+/- 15 percent of fan motor amperes baseline) during the December 2, 2015 on-site PCE; two excursions in the first half of 2015 and one excursion in the second half of 2015. The two excursions in the first half of 2015 were not included in the semi-annual NSPS AAa report for the first half of 2015. After further review of the information, both Chaparral and DEQ agreed to average the fan amperes baseline. This resulted in an increase of the fan amperes baseline from 150 to 160 amperes, leaving one excursion which occurred in the first half of 2015 and was not included in the report.

Below are DEQ staff factual observations from the April 5, 2016, PCE:

- d. Condition 12 and 28 – Upon review of records provided by the Facility, both the EAF and LRF operated for 85 days when no visible emissions evaluations (VEE) were performed. (See paragraph 15.a. for updated information)
 - e. Condition 65 - The visible emissions observation (VEO) records submitted for the Lime and Carbon silos and Alloy transfer system showed multiple weeks and months with no observations performed and were incomplete.
 - f. Condition 66 – The records for the visible emission observations that were performed were incomplete. The forms used to record the observations do not include all the information required by Condition 65.
 - g. Condition 83 – The records submitted for emission units subject to Condition 82 were missing visual emissions observation records. The response received on April 11, 2016 indicated that observations required by Condition 82 were not being recorded.
 - h. Condition 85 – The records of the visible emissions observations required by Condition 83 were not being maintained for part c.
8. On April 25, 2016, DEQ staff performed an on-site PCE at the Facility. The inspection occurred during a Facility-wide shutdown and maintenance event. Below are DEQ staff factual observations from that PCE:
- a. Conditions 69, 70, 73, 74– DEQ staff could not determine compliance as records were not available for review due to the event. DEQ staff requested that these records be submitted for review. The records were not received within 30 days of the inspection date. These records related to compliance with:
 - i. Federal requirement in 40CFR63 Subpart ZZZZ for the emergency engines (unit numbers ES22, 23, 24, 25 and 33). (Condition 69 & 70)
 - ii. Federal requirement in 40CFR60 Subpart JJJJ for the emergency engines (unit numbers ES34 and 35). (Condition 73 & 74)
 - b. Conditions 39, 78, 79 and 85- Records were not available for review due to the event. DEQ staff requested the records during the inspection and via an April 28, 2016, email; however no records were received. These recordkeeping requirements related to:
 - i. Operational and maintenance records for the EAF, LRF and Ladle and Tundish Preheaters and Dryers. (Condition 39)

- ii. Records documenting the hours of operation and usage, maintenance performed and malfunction occurrences for the emergency engines (unit numbers ES22, 23, 24, 25 and 33). (Condition 78)
 - iii. Records documenting the maintenance performed and manufacturer's emissions certification for the emergency engines (unit numbers ES34 and 35). (Condition 79)
 - c. Condition 113 - Fugitive emissions were observed over the entire property on travel routes. The water truck was noted in operation at the end of the inspection, but the water application was insufficient to prevent particulate matter from becoming airborne.
9. On May 9, 2016, DEQ issued a Warning Letter No. APRO000329-002 to Chaparral for the violations noted in paragraphs C.3. through C.7. Violations noted during the April 25, 2016 on-site PCE (listed in paragraph C.8.) were not included because the PCE was not finalized until June 22, 2016.
10. On June 5, 2016, DEQ staff received compliance records submitted in response to the Warning Letter. On June 14, 2016, DEQ staff reviewed this documentation, completing the PCE on June 23, 2016. Below are DEQ staff factual observations:
- a. Condition 12 and 28 - No additional days of visual emission evaluations records were submitted for days when the EAF and LRF were operating.
 - b. Condition 65 - No new records were submitted to show past compliance with this requirement (performance of VEOs). The Facility indicated that they have reinitiated observations of the remaining emission points, lime and carbon silos, (emission unit numbers ES17 and 18) as of May 2016 but did not include documentation of this.
 - c. Condition 66 - The logs that were submitted did not show that visible emissions from either the lime or the carbon silos were observed weekly and during times of silo loading up until May 2016. Only the Alloy Storage and Handling System fabric filter observations could be verified and these observations were conducted intermittently.
 - d. Condition 83 - The Facility did not submit any additional records to indicate that visual emission observations of the meltshop building or emission units listed in condition 82 had been conducted, but stated that they started to perform and document these observations in May 2016.
 - e. Condition 85 - The Facility submitted daily logs of visual emission observations for the Baghouse dust handling system and roof monitor only and reiterated that visual emission observations of the remaining emission units commenced in May 2016.
11. On June 29, 2016, DEQ issued NOV No. APRO000329-003 to Chaparral for the violations described in paragraphs C.3. through C.10.
12. On August 17, 2016, DEQ staff received compliance records in response to the NOV. On September 7, 2016, DEQ staff completed its review of this documentation. The

documentation review confirmed the violations associated with following TV Permit conditions:

- a. Condition 69 - The records submitted included the maintenance but not the run (operating time) logs. DEQ review of the maintenance records submitted indicated that emergency back-up pump ES24 operated for 66.1 hours between June 2014 and April 2015. Facility records did not include the condition under which the engines operated.
 - b. Condition 73 - DEQ review of the maintenance records submitted indicated that emergency back-up engine ES34 operated for 79.6 hours between June 2014 and May 2015 and Emergency back-up engine ES35 operated for 125.4 hours between June 2014 and May 2015. No run log was submitted to verify conditions under which the engines operated.
 - c. Condition 77 - Records did not include an engine operating run log.
 - d. Condition 78a. & 78.c- For unit numbers ES22-ES25 & ES33 Records of monthly hour readings were inconsistent and did not include classification of run-time. Also records did not indicate that items identified as requiring maintenance were addressed.
 - e. Condition 79 - For unit numbers ES34 & ES35 a) Records submitted showed inspections were performed, but no maintenance was performed (excluding oil and filter changes).
 - f. Condition 85 - c) Records submitted to confirm that visible emission observations were performed were incomplete.
 - g. Condition 86 - the Facility stated that no VEEs were required to be performed; however, records submitted indicate that not all visible emission observations have been performed since June 3, 2014, for the affected units.
 - h. Condition 110 - DEQ staff requested the submittal of compliance documentation in the RCA, WL and NOV. Document submittals were received as detailed in this Section. While Chaparral attempted to comply with the record requests, many of these records were not submitted in a timely manner or were not submitted at all.
13. On September 28, 2016, DEQ met with representatives of Chaparral to discuss the violations noted in the compliance evaluations, RCA, WL and NOV and any corrective actions they have implemented or planned to implement. During that meeting, Chaparral agreed to submit additional documentation to resolve certain noted violations.
14. On November 3, 2016, DEQ staff received documentation from Chaparral which confirmed the following:
- a. Condition 82 - Performance of visible emission observations for unit numbers ES3, ES4, ES5, ES8, ES15 and ES16 commenced after April 2016. Records from May 2016 to the present were submitted for these Units.
 - b. Condition 73 - Unit numbers ES34 & ES35 were operated for more than 50 hours in a non-emergency manner.
15. On May 17, 2018, DEQ staff received additional compliance records. Below are DEQ staff factual observations from that PCE:

- a. Condition 12 and 28 – Review of the records provided information supporting that the EAF and LRF were operated for 25 days when no visible emissions evaluations (VEE) were performed. This is a reduction from the 85 days previously noted in paragraph C.7.d.
16. Va. Code §10.1-1322 states that failure to meet conditions of a permit is considered a violation of the Virginia Air Pollution Control Law.
17. 9 VAC 5-80-260 and 9 VAC 5-80-1210(I) require compliance with all terms and conditions of Title V operating permits and permits for stationary sources respectively.
18. Based on the results of the above mentioned inspections, meetings and submitted documentation, the Board concludes that Chaparral has violated conditions 12, 27, 28, 39, 41, 42, 65, 66, 69, 70, 73, 74, 77, 78, 79, 82, 83, 85, 86, 110 and 113 of the TV Permit, Va. Code § 10.1-1322 and 9 VAC 5-80-260 and -1210 of the Virginia Air Pollution Control Law and Regulations as described above.
19. In order for Chaparral to return to compliance, DEQ staff and representatives of Chaparral have agreed to the Schedule of Compliance, which is incorporated as Appendix A of this Order.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code §§ 10.1-1309 and -1316, the Board orders Chaparral, and Chaparral agrees, to:

1. Perform the actions described in Appendix A of this Order; and
2. Pay a civil charge of \$74,381.00 within 30 days of the effective date of the Order in settlement of the violations cited in this Order.

Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

Chaparral shall include its Federal Employer Identification Number (FEIN) with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF). If the Department has to refer collection of moneys due under this Order to the Department of Law, Chaparral shall be liable for attorneys' fees of 30% of the amount outstanding.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of Chaparral for good cause shown by Chaparral, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.
2. This Order addresses and resolves those violations specifically identified in Section C of this Order and the January 30, 2018 NOV. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce the Order.
3. For purposes of this Order and subsequent actions with respect to this Order only, Chaparral admits to the jurisdictional allegations, and agrees not to contest, but does not admit, the findings of fact, and conclusions of law in this Order.
4. Chaparral consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Chaparral declares it has received fair and due process under the Administrative Process Act and the Virginia Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.
6. Failure by Chaparral to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority. Chaparral does not waive any rights or objections it may have in any enforcement action by other federal, state, or local authorities arising out of the same or similar facts to those recited in this Order.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. Chaparral shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other unforeseeable circumstances beyond its control and not due to a lack of good faith or diligence on its part. Chaparral shall demonstrate that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Chaparral shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are

occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:

- a. the reasons for the delay or noncompliance;
- b. the projected duration of any such delay or noncompliance;
- c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
- d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which the parties intend to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.


9. This Order is binding on the parties hereto and any successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and Chaparral. Nevertheless, Chaparral agrees to be bound by any compliance date which precedes the effective date of this Order.
11. This Order shall continue in effect until:
 - a. The Director or his designee terminates the Order after Chaparral has completed all of the requirements of the Order;
 - b. Chaparral petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or
 - c. the Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to Chaparral.

Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Chaparral from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

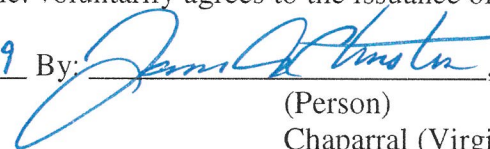
12. Any plans, reports, schedules or specifications attached hereto or submitted by Chaparral and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.

13. The undersigned representative of Chaparral certifies that he or she is a responsible official or officer authorized to enter into the terms and conditions of this Order and to execute and legally bind Chaparral to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Chaparral.
14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.
15. By its signature below, Chaparral voluntarily agrees to the issuance of this Order.

And it is so ORDERED this 4TH day of FEBRUARY, 2019.

 (for)
James J. Golden, Regional Director
Department of Environmental Quality

Chaparral (Virginia) Inc. voluntarily agrees to the issuance of this Order.

Date: JANUARY 31, 2019 By:  VICE PRESIDENT AND GENERAL MANAGER
(Person) (Title)
Chaparral (Virginia) Inc.

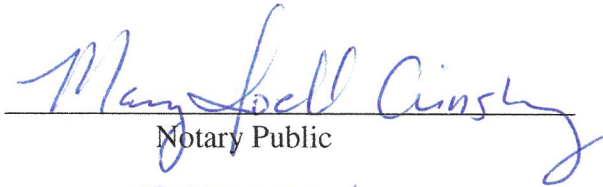
Commonwealth of Virginia

City/County of DINWIDDIE

The foregoing document was signed and acknowledged before me this 31ST day of JANUARY, 2019, by JAMES A CHRISTIAN, who is VPGM of Chaparral (Virginia) Inc., on behalf of the corporation.

Notary seal:

MARY JOELL AINSLEY
NOTARY PUBLIC
REG. #7580934
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES JULY 31, 2022


Notary Public
7580934
Registration No.

My commission expires: 7-31-2022

APPENDIX A SCHEDULE OF COMPLIANCE

Chaparral agrees to perform the following:

1. By August 1, 2019, submit copies of the documentation confirming compliance with all record-keeping permit conditions for the first half of 2019 to the DEQ contact listed below. Specifically, this includes condition numbers 37, 38, 39, 46, 52, 56, 66, 77, 78, 79, 85, 96, 97 and 98 from the Permit and condition numbers 13, 14, 17, 18, 19, 20, 21, 22, 23, 24, 34, 35, 40, 41, 44, 48, 49, 50, 51, 52, 54, 55, 56, 60, 61, 62, 63, 65, 66, 69, 71, and 72 of the PSD Permit. Where conditions of the two permits are duplicates of each other, only one document labeled for both conditions need be submitted.
2. Within 90 days of the effective date of this Consent Order, submit an air permit application that incorporates recommended DEQ revisions.

DEQ Contact

Unless otherwise specified in this Order, Chaparral shall submit all requirements of Appendix A of this Order to:

David Robinett
Air Compliance Manager
VA DEQ – Piedmont Regional Office
4949-A Cox Road
Glen Allen, Virginia 23060
804-527-5128
804-527-5106 (fax)
david.robinett@deq.virginia.gov

Appendix B – Applicable TV Permit Conditions

12. Process Equipment Requirements - (ES1-ES2) - Limitations - The common positive pressure baghouse (CD1) shall not exhibit visible emissions of 3 percent opacity or greater as determined by EPA Method 9 (reference 40 CFR 60, Appendix A). This condition applies at all times except during startup, shutdown, and malfunction. (9 VAC 5-80-110 and Condition #25 of the 12/17/2010 PSD Permit)

27. Process Equipment Requirements - (ES1-ES2) - Monitoring - Compliance Assurance Monitoring (CAM) - The facility shall perform monthly operational status inspections of the equipment that is important to the performance of the total capture system. This inspection shall include observations of the physical appearance of the equipment, including, but not limited to, presence of holes in ductwork or hoods, flow constrictions caused by dents or accumulated dust in ductwork, and fan erosion. Any deficiencies shall be noted and proper maintenance performed. (9 VAC 5-80-110 and Condition #52 of the 12/17/2010 PSD Permit)

28. Process Equipment Requirements - (ES1) - Monitoring - Compliance Assurance Monitoring (CAM) - Visible emission observations shall be conducted on the common positive pressure baghouse (CD1) at least once per day when the electric arc furnace (ES1) is operating in the melting and refining period. These observations shall be taken in accordance with EPA Method 9 (reference 40 CFR 60, Appendix A), and, for at least three 6-minute periods, the opacity shall be recorded for any points where visible emissions are observed. Where it is possible to determine that a number of visible emission sites relate to only one incident of the visible emissions, only one set of three 6-minute observations will be required. In this case, Method 9 observations must be made for the site of highest opacity that directly related to the cause or location of visible emissions observed during a single incident. Records shall be maintained of any 6 minute average that is in excess of the emission limit specified in Condition #12. Allowances shall be made for periods of meltshop down time and poor weather. (9VAC 5-80-110 and Condition #50 of the 12/17/2010 PSD Permit)

39. Process Equipment Requirements - (ES1-ES2, ES8) – Recordkeeping - The permittee shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with this permit. The content of and format of such records shall be arranged with the Director, Piedmont Regional Office. These records shall include, but are not limited to:

- a. The yearly production of steel in tons, calculated monthly as the sum of each consecutive 12 month period;
- b. The daily production of steel in tons;
- c. Periods during which the control system fan motor amperes operated at values exceeding ± 15 percent of the values established in accordance with 40 CFR 60.274a(c); and
- d. Time, date, and findings of the monthly operational status inspections required in Condition #27;

These records shall be available for inspection by the DEQ and shall be current for the most recent five years. (9 VAC 5-80-110 and Condition #55 of 12/17/2010 Permit)

41. Process Equipment Requirements - (ES1-ES2) – Reporting - 40 CFR 63 Subpart

YYYYY – The permittee shall submit the following reports to demonstrate compliance with this permit. The content and format of such reports shall be arranged with the Director, Piedmont Regional Office. These reports shall include, but are not limited to:

a. Periodic Start-up, Shutdown and Malfunction Reports containing the information specified in 40 CFR 63.10(d)(5)(i) shall be submitted if actions taken by the permittee during a startup or shutdown (and the startup or shutdown causes the electric arc furnace (ES1) to exceed the particulate matter emission standard of TV Condition #16 or the opacity emission standard of Condition #14), or malfunction of the electric arc furnace (ES1) (including actions taken to correct a malfunction) are consistent with the procedures specified in the SSM plan. The SSM report shall be delivered or postmarked by the 30th day following the end of each calendar half;

b. Immediate Start-up, Shutdown and Malfunction Reports containing the information specified in 40 CFR 63.10(d)(5)(ii) shall be submitted any time an action taken by the permittee during a startup or shutdown that caused the electric arc furnace to exceed the particulate matter emission standard of Condition #16 or the opacity emission standard of TV Condition #14, or malfunction (including actions taken to correct a malfunction) is not consistent with the procedures specified in the SSM plan. The permittee shall submit the report within 2 working days after commencing actions inconsistent with the plan followed by a letter within 7 working days after the end of the event.

(40 CFR 63.10(d), 9 VAC 5-50-50, 9 VAC 5-80-110 and Condition #54 of the 12/17/2010 PSD Permit)

42. Process Equipment Requirements - (ES1-ES2) - Reporting – Semi-annually, the facility shall submit a written report of exceedances of the opacity standard in Condition #12. For the purposes of these reports, exceedances are defined as all 6-minute periods during which the average opacity is 3 percent or greater. These reports shall also contain the periods during which the control system fan motor amperes value exceeded ± 15 percent of the value established in accordance with 40 CFR 60.274a(c). Operation at these values may be considered to be unacceptable operation and maintenance of the facility. (9VAC 5-80-110 and Condition #56 of the 12/17/2010 PSD Permit)

65. Process Equipment Requirements - (ES17-ES19) - Monitoring - Each fabric filter and bin vent filter required by Conditions #57, #59 and #61 shall be observed visually once per week for at least a brief time period during normal operations to determine if there are any visible emissions. For the bin vent filters, the weekly observation shall be performed during the silo loading process. The presence of visible emissions shall indicate the need for prompt corrective action. The permittee shall keep a log of the observations. The log shall include the name of the observer, the date and time of the observations, the presence of visible emissions or lack thereof, and the date and time of corrective actions taken whenever visible emissions were observed.

66. Process Equipment Requirements - (ES17-ES19) – Recordkeeping - The permittee shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with this permit. The content of and format of such records shall be arranged with the Director, Piedmont Regional Office. These records shall include, but are not limited to:

- a. The yearly throughput of lime, carbon and alloy, in tons, to the lime silos (ES17), carbon silo (ES18) and alloy unloading and alloy/lime/carbon transfer system (ES19), respectively, calculated monthly as the sum of each consecutive 12 month period; and
- b. The visible emission observation log required by Condition #65.

These records shall be available for inspection by the DEQ and shall be current for the most recent five years. (9 VAC 5-80-110 and Condition #66 of the 12/17/2010 PSD Permit)

69. Fuel Burning Equipment Requirements - (ES22-ES25, ES33) -Limitations - CFR 63

Subpart ZZZZ - For emergency engines (ES22-ES25, ES33), any operation other than emergency operation, maintenance and testing, and operation in non-emergency situations for 50 hours per year, as permitted in this condition, shall be prohibited:

- a. There shall be no time limit on the use of emergency engines (ES22-ES25, ES33) in emergency situations;
- b. The permittee may operate emergency engines (ES22-ES25, ES33) for the purpose of maintenance checks and readiness testing, provided that the tests are recommended by Federal, State or local government, the manufacturer, the vendor, or the insurance company associated with the unit. Maintenance checks and readiness testing of such units shall be limited to 100 hours per year. The permittee may petition the Director, Piedmont Regional Office for approval of additional hours to be used for maintenance checks and readiness testing, but a petition is not required if the owner or operator maintains records indicating that Federal, State, or local standards require maintenance and testing of emergency engines (ES22-ES25, ES33) beyond 100 hours per year.
- c. The permittee may operate each emergency engine (ES22-ES25, ES33) up to 50 hours per year in non-emergency situations, but those 50 hours shall be counted towards the 100 hours per year provided for maintenance and testing. The 50 hours per year for non-emergency situations shall not be used for peak shaving or to generate income for a facility to supply power to an electric grid or otherwise supply power as part of a financial arrangement with another entity; except that the permittee may operate each emergency engine (ES22-ES25, ES33) for a maximum of 15 hours per year as part of a demand response program if the regional transmission organization or equivalent balancing authority and transmission operator has determined there are emergency conditions that could lead to a potential electrical blackout, such as unusually low frequency, equipment overload, capacity or energy deficiency, or unacceptable voltage level. Each emergency engine (ES22-ES25, ES33) shall not be operated for more than 30 minutes prior to the time when the emergency condition is expected to occur, and each emergency engine's (ES22-ES25, ES33) operation shall be terminated immediately after the permittee is notified that the emergency condition is no longer imminent. The 15 hours per year of demand response operation shall be counted as part of the 50 hours of operation per year provided for non-emergency situations. The supply of emergency power to another entity or entities pursuant to financial arrangement is not limited by this condition, as long as the power provided by the financial arrangement is limited to emergency power.
(9VAC 5-80-110 and 40 CFR 63.6640(f))

70. Fuels Burning Equipment Requirements - (ES22-ES25, ES33) - Limitations - 40 CFR 63 Subpart ZZZZ - The permittee shall operate in compliance with all applicable requirements

of 40 CFR 63 Subparts A and ZZZZ. Table 8 of 40 CFR 63 Subpart ZZZZ shows which parts of the General Provisions in 40 CER 63.1 through 63.15 apply to the permittee. (9VAC5-80-110 and 40 CFR 63, Subparts A and ZZZZ)

73. Fuels Burning Equipment Requirements - (ES34-ES35) - Limitations - 40 CFR 63

Subpart JJJJ - For emergency engines (ES34-ES35), any operation other than emergency operation, maintenance and testing, and operation in non-emergency situations for 50 hours per year, as permitted in this condition, shall be prohibited:

- a. There shall be no time limit on the use of emergency engines (ES34-ES35) in emergency situations.
- b. The permittee may operate emergency engines (ES34-ES35) for the purpose of maintenance checks and readiness testing, provided that the tests are recommended by Federal, State or local government, the manufacturer, the vendor, or the insurance company associated with the unit. Maintenance checks and readiness testing of such units shall be limited to 100 hours per year. The permittee may petition the Director, Piedmont Regional Office for approval of additional hours to be used for maintenance checks and readiness testing, but a petition is not required if the owner or operator maintains records indicating that Federal, State, or local standards require maintenance and testing of emergency engines (ES34-35) beyond 100 hours per year.
- c. The permittee may operate each emergency engine (ES34-ES35) up to 50 hours per year in non-emergency situations, but those 50 hours shall be counted towards the 100 hours per year provided for maintenance and testing. The 50 hours per year for non-emergency situations shall not be used for peak shaving or to generate income for a facility to supply power to an electric grid or otherwise supply power as part of a financial arrangement with another entity; except that the permittee may operate each emergency engine (ES34-ES35) for a maximum of 15 hours per year as part of a demand response program if the regional transmission organization or equivalent balancing authority and transmission operator has determined there are emergency conditions that could lead to a potential electrical blackout, such as unusually low frequency, equipment overload, capacity or energy deficiency, or unacceptable voltage level. Each emergency engine (ES34-ES35) shall not be operated for more than 30 minutes prior to the time when the emergency condition is expected to occur, and each emergency engine's (ES34-ES35) operation shall be terminated immediately after the permittee is notified that the emergency condition is no longer imminent. The 15 hours per year of demand response operation shall be counted as part of the 50 hours of operation per year provided for non-emergency situations. The supply of emergency power to another entity or entities pursuant to financial arrangement is not limited by this condition, as long as the power provided by the financial arrangement is limited to emergency power.

(9 VAC 5-80-110 and 40 CFR 60.4243 (d))

74. Fuel Burning Equipment Requirements - (ES34-ES35) - Limitations - 40 CFR 60

Subpart JJJJ - The permittee shall operate in compliance with all applicable requirements of 40CFR 60 Subparts A and JJJJ. Table 3 of 40 CFR 60 Subparts JJJJ shows which parts of the General Provisions in 40 CFR 60.1 through 60.19 apply to the permittee. (9VAC5-80-110 and 40 CFR 60 Subparts A and JJJJ)

77. Fuel Burning Equipment Requirements - (ES22-ES25 and ES33-ES35) –

Recordkeeping - The permittee shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with this permit. The content of and format of such records shall be arranged with the Director, Piedmont Region. These records shall include, but are not limited to: a. The results of the monthly visible emission surveys required by Condition #76 and details of any corrective action taken as a result of these inspections. These records shall be available for inspection by the DEQ and shall be current for the most recent five years. (9 VAC 5-80-110)

78. Fuel Burning Equipment Requirements - (ES22-ES25, ES33) – Recordkeeping - 40

CFR 63 Subpart ZZZZ - The facility shall maintain records documenting conformance with applicable operating limitations, work practice, and management practice standards found in National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines (Table 2d to MACT, Subpart ZZZZ). These records shall include but are not limited to:

- a. Records of the hours of operation of the engine as recorded through the non-resettable hour meter. Records of how many hours the engine was operated in an emergency operation and what classified the operation as an emergency. Records of how many hours the engine spent in a non-emergency operation.
- b. Records of oil and filter changes and inspections of air cleaners, hoses, and belts, as they occur.
- c. Records of maintenance done on the engine which demonstrates that the engine is operated or maintained according to the manufacturer's emission related operation and maintenance instructions or your own maintenance plan for minimizing emissions and operating the engine in a manner consistent with good air pollution control practices.
- d. Records of occurrence and duration of each malfunction of operation and the corrective actions taken to minimize the emissions and restore the malfunctioning engine.
- e. The above records must be kept for five (5) years in hard copy or electronic format and must be readily accessible.

(9VAC 5-80-110 and 40 CFR §63.6655)

79. Fuel Burning Equipment Records - (ES34-ES35) - Recordkeeping - The facility shall maintain records documenting conformance with applicable operating limitations, work practice, and management practice standards found in the New Source Performance Standards 40 CFR 60 Subpart JJJJ for Spark Ignition Stationary Engines. These records shall include but are not limited to:

- a. Records of maintenance conducted on the natural gas-fired (ES34) and propane gas-fired (ES35) emergency engines which demonstrate the engine is being operated and maintained according to the manufacturer's emission related written instructions.
- b. For the natural gas-fired (ES34) emergency engine records of documentation from the manufacturer that the engine is certified to the emission standards and information as required in Table 1 of 40 CFR 60, Subpart JJJJ.
- c. If the natural gas-fired (ES34) emergency engine is operated in a non-certified manner, documentation that the engine(s) meets the emission standards identified in Table 1 of 40 CFR Part 60 Subpart JJJJ.

d. If the propane gas-fired (ES35) emergency engine is operated in a non-certified manner, documentation that the engine(s) meets the emission standards identified in 40 CFR Part 90.

e. Records of all notifications and supporting documentation that is submitted to comply with this regulation. (For compliance specifically with this regulation, this engine is not required to submit any notifications to the EPA or the State.)

f. The above records must be kept for five (5) years in hard copy or electronic format and must be readily accessible.

(9 VAC 5-80-110, 40 CFR §60.4245)

82. Facility Wide Conditions - Limitations - Visible emissions from (ES3-ES5, ES8 and ES15-ES16) shall not exceed 20 percent opacity, except for one six-minute period in any one hour of not more than 30 percent opacity. Failure to meet the requirements of this condition because of the presence of water vapor shall not be a violation of this section. (9 VAC 5-80-110 and 9 VAC 5-50-80)

83. Facility Wide Conditions - Monitoring - Each emission unit subject to Conditions #13-15 and Condition #82, shall be observed visually at least once each operating month for at least a brief time period to determine which emissions units have normal visible emissions (does not include condensed water vapor/steam), unless a 40 CFR 60 Appendix A Method 9 visible emissions evaluation is performed on the emissions unit. Each emissions unit observed having above-normal visible emissions shall be followed up with a 40 CFR 60 Appendix A Method 9 visible emissions evaluation unless the visible emission condition is corrected as expeditiously as possible and recorded, and the cause and corrective measures taken are recorded. (9 VAC 5-80-110)

85. Facility Wide Conditions - Recordkeeping - The permittee shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with this permit. The content of and format of such records shall be arranged with the Director, Piedmont Regional Office. These records shall include, but are not limited to: c. The results of the monthly visible emission surveys required by Condition #83 and details of any corrective action taken as a result of these inspections. (9 VAC 5-80-110 and Condition #55 of the 12/17/2010 PSD Permit)

86. Facility Wide Conditions - Reporting - The permittee shall report the results of any 40 CFR Part 60 Method 9 opacity test performed as a result of Condition #83. If the test indicates the facility is out of compliance with the standard contained in Conditions #13-15 and Condition #82, the source shall also report the length of time associated with any exceedance of the standard and the corrective actions taken to correct the exceedance. This report shall be sent to the Director, Piedmont Regional Office within seven days of the applicable test. (9 VAC 5-80-110)

110. General Conditions - Duty to Submit Information - The permittee shall furnish to the Board, within a reasonable time, any information that the Board may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the

Board copies of records required to be kept by the permit and, for information claimed to be confidential, the permittee shall furnish such records to the Board along with a claim of confidentiality. (9 VAC 5-80-110 G.6)

113. General Conditions - Fugitive Dust Emissions Standards - During the operation of a stationary source or any other building, structure, facility, or installation, no owner or other person shall cause or permit any materials or property to be handled, transported, stored, used, constructed, altered, repaired, or demolished without taking reasonable precautions to prevent particulate matter from becoming airborne. Such reasonable precautions may include, but are not limited to, the following:

- a. Use, where possible, of water or chemicals for control of dust in the demolition of existing buildings or structures, construction operations, the grading of roads, or the clearing of land;
- b. Application of asphalt, water, or suitable chemicals on dirt roads, materials stockpiles, and other surfaces which may create airborne dust; the paving of roadways and the maintaining of them in a clean condition;
- c. Installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty material. Adequate containment methods shall be employed during sandblasting or similar operations;
- d. Open equipment for conveying objectionable air pollution when airborne shall be covered or treated in an equally effective manner at all times when in motion; and,
- e. The prompt removal of spilled or tracked dirt or other materials from paved streets and of dried sediments resulting from soil erosion.

(9VAG 5-50-90)